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Monitoring and Evaluation of Procurement Reform Objective 2

Cairo 2012



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Topics

- Refer participants to handout slides 2-11 on Purposes and Definitions of M&E and USAID Evaluation Policy (not covered in the presentation)
- LCD and evaluation (start presentation with slide 12)
- Special issues for M&E in capacity building
- Top-line indicator and F LCD indicators 1-3, definition of local organizations, and F indicator targets (ask if audience wants this covered – slides 15-17)
- F LCD indicators 4 and 5
- Illustrative supplementary indicators
- Data quality issues
- Resources
- Group task on results-based LCD indicators



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Purposes of M&E

- Improve project and program effectiveness, relevance, and efficiency
- Contribute to agency reform efforts
- Learning
 - Inform design of follow-on project or activities
 - Broader impact on development professionals and institutions
- Accountability and transparency
 - Government Performance and Results Act (GPRA) of 1993 and GPR Modernization Act of 2011
 - Congress
 - OMB and the White House
 - General public in US and host country
 - Support agency funding requests



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Monitoring

- Ongoing process during implementation
 - Timeliness of activities
 - Quality of activities
 - Expenditures
 - Outputs and broader outcomes
 - Baselines
 - Achievements vs. targets
- Usually internal
- Supports donor and stakeholder reporting
- Helps identify problems and need for mid-course corrections



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- Periodic -- mid-term, between project phases, final
- Usually external, may be participatory
- Performance evaluations
 - Descriptive and normative
 - Focus on activities, implementation, results, and project management
- Impact evaluations
 - Focus on actual vs. projected impact
 - Greater methodological rigor



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USAID Evaluation Policy

- January 2011: <http://www.usaid.gov/evaluation>
- Part of USAID Forward reforms
- Builds on agency's extensive history of evaluation
- Redresses decline in quantity and quality of evaluation in recent past
- First year of implementation – learn and adjust



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Types of Evaluations at USAID:

Performance Evaluation (90% of total)	Impact Evaluation (10% of total)
Broad category, majority of USAID evaluations	Narrowly defined as having credible counterfactual or comparison group. Not appropriate for all interventions.
Determine <u>why or how</u> results are being achieved	Determine cause-and-effect and specific magnitude of change.
Used to understand what the program has done, how it is being implemented, whether expected results are occurring, and other relevant project management questions	Used to measure whether change takes place that can be attributed to a given intervention. Can be combined with performance evaluation.
Can be based on a broad range of qualitative, quantitative or mixed methods for collecting performance data.	Generally uses experimental (randomization) or quasi-experimental (statistical) methods to define a counterfactual and measure change using baseline and post-project data sets.
Analyze program design, function, and performance, and make judgments about the implementation success of the program	Compare actual impacts against design stage projections



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Evaluation Standards

Integrate Evaluation into Design

Include evaluation specialists in strategy and project design teams, identify questions, plan for baseline data collection.

Minimize Bias

Disclosure of conflicts of interest, external evaluation experts as team leads.

Ensure Relevance to Future Decisions

Evaluation questions developed with stakeholders and are linked to future decisions.

Use the Best Methods

Qualitative and quantitative methods that generate reproducible and high quality evidence.

Reinforce Local Capacity

Work with local expert evaluation leads, use host country systems, and build local capacity.

Be Transparent

Findings from evaluations are shared publically and in a timely manner.

Dedicate Sufficient Resources

Goal of approximately 3 percent of a USAID operating unit's total program funds to be set aside for external evaluations.



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Mission Responsibilities In Evaluation (I)

- Designate evaluation contact (point person)
- Collaborate w/PPL/LER & other bureaus
- Mission Order on Evaluations (approaches, expectations)
- Integrate M&E in project design
- Staff training and information exchanges



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Mission Responsibilities in Evaluation (II)

- At least 3% of each operating unit's program funds for external evaluation
- Annual Plan of Evaluations
- At least 1 performance evaluation required for large projects (> average value of operating unit for the development objective)
- Performance evaluations for innovative or pilot projects that may be expanded in scale or scope
- At least 1 impact evaluation for each CDCS development objective



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Mission Responsibilities In Evaluation (III)

- Ensure SOWs meet standards
- In-house technical review of evaluations
- Store final reports and submit to Development Experience Clearinghouse (DEC) w/in 3 months
- Apply findings in strategies, program, and project design
- Provide information for audits of evaluation practices
- Help develop agency agenda



- Emphasize institutional capacity building and respectful engagement with partners
- Include partner country experts not involved in project implementation on evaluation teams
- Strengthen knowledge and skills of individuals
- Provide resources and support to sustain evaluation
- Support an enabling environment for evaluation



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Special Issues In M&E of Capacity Building (I)

- Measuring organizational vs. individual capacity (turnover)
- Measure capacity by achieving organizational mission or satisfying key stakeholders
- Effectiveness of supply- vs. demand-driven assistance may vary
- Separating multiple donor and internal efforts
- Technical capacity vs. general capacity and interactions
- Distorted results if funding decisions linked to monitoring
- Monitoring as tool contributing to LCD



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Special Issues In M&E of Capacity Building (II)

- Reducing costs and burden
- Capacity building as means, process, or end?
- Long lag time for results
- Results depend on providers as well as recipients
- Constantly changing capacity
- Impacts indirect
- Measuring changes in ability to adapt
- Projecting sustainability (survival and growth)
- Need for gender-sensitive approaches



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Top-Line Indicator (Objectives 1 and 2 and 5)

- Dollar value of Mission's annual direct obligations through local entities/Annual program allocation
 - Local entities = partner countries + local NGOs + local private sector businesses
 - Annual obligations = new obligating authority + carry-over funds + transfers from other USG agencies
 - Carryover includes host government agreement obligations (SOAGs/DOAGs) in sub-obligation year
 - Follow budget guidance for out-years



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Definitions of Local and Regional Partners

At time of award:

- NGOs or businesses
 1. Organized under laws of country/region
 2. Principal place of business in country/region
 3. Majority owned by citizens or legal permanent residents or managing body w/ majority of members meeting this criterion
 4. Not controlled by foreign entity
- Host country government controlled or owned entities
- International organizations in region implementing directly for USAID
 - Only for regional platforms and bilateral missions



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Five F Bureau Capacity Development Indicators for Objectives 1 and 2 (I)

A. Required

1. Total awards made directly to local for-profits and not-for-profits
 - a. Number of direct awards to local for-profits
 - b. Number of direct awards to local not-for -profits
2. Percent of operating unit program funds obligated through partner country systems
 - a. Value of funds directly obligated or sub-obligated through partner country systems
 - b. Annual program funds allocation (definition in Top-Line Indicator)



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Five F Bureau Capacity Development Indicators for Objectives 1 and 2 (II)

3. Percent of operating unit funds obligated to local organizations
 - a. Value of program funds directly obligated or sub-obligated to local for-profits
 - b. Value of program funds directly obligated or sub-obligated to local not-for-profits
 - c. Total a +b
 - d. Total annual program funds allocation



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Five F Bureau Capacity Development Indicators for Objectives 1 and 2 (III)

4. Percent of mission awards with LCD objectives or activities requiring regular reporting on capacity building metrics (no target)
 - a. Number of mission awards with LCD objectives or activities requiring regular reporting on capacity building metrics
 - b. Total number of mission awards

B. Recommended

5. Average percent score for organizational capacity of direct and indirect local implementing partners (no target)
 - a. OCA scores for direct and indirect local implementing partners
 - b. Total OCA score points possible for these organizations



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Targets for Top-Line Indicator and F Indicators 1-3

	Baseline (FY 2009)	FY 2013 Target	FY 2015 Target
% of program funds direct to governments	10%	14%	20%
% of program funds direct to local NGOs	2.46%	4.0%	6.0%
% of program funds direct to local business	0.85%	2.0%	4.0%
Total	13.31%	20.0%	30%
Direct partnerships with local NGOs	424	750	1,000
Direct partnerships with local	322	450	600
Total	746	1,200	1,600
Countries using host government systems	13	18	25



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Supplementary Indicators (I)

- Supplement top-line and F indicators with others that “tell the story”
- Focus on outputs and results, rather than inputs and activities
- Examples of a few of the project-specific indicators that will be included in a pending compendium:
 - Revenue growth of assisted businesses or NGOs above the baseline (inflation-adjusted)
 - Export sales growth of assisted businesses above the baseline (inflation-adjusted)
 - Increase in net income of assisted businesses above the baseline (inflation-adjusted local currency)



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Supplementary Indicators (II)

- Increase in the value of grants from other donors obtained after the start of USAID support over the baseline (inflation-adjusted local currency)
- Number and percent of assisted businesses or NGOs still in operation 1, 2, and 3 years after USAID support ended
- Number and percent of assisted businesses or NGOs continuing to provide the same goods and services 1, 2, and 3 years after USAID support ended
- Increase in the value of loans disbursed to clients per year over the baseline level (inflation-adjusted local currency)
- Percent of organization's annual budget from USAID



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Supplementary Indicators (III)

- Increase in the number of donors contributing to the organization
- Percent of total revenue from largest donor
- Percent of organization's budget that comes from fees clients paid for services
- Increase in the number of clients paying for services
- Percent of clients that are repeat clients
- Percent of clients expressing satisfaction with the organization's services by type of service



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Supplementary Indicators (IV)

- Percent of businesses or NGOs that have upgraded their financial management systems to meet USAID standards with USAID support
- Percent of businesses or NGOs that have established an independent Board of Directors with USAID support
- Percent of businesses or NGOs that have established effective personnel evaluation systems with USAID support
- Increase in average satisfaction scores of government or NGO clients above the baseline level
- Increase in number of clients served per year over the baseline
- Percent increase in number of clients served each year



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Data Quality Standards in ADS 203 (I)

- **Validity** – Does the indicator accurately represent the intended result?
- **Integrity** – Are there mechanisms to reduce the possibility of data manipulation for political or personal interests?
- **Precision** – Are data at an appropriate level of detail? Is the margin of error than the intended change and acceptable for the expected management decisions



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Data Quality Standards in ADS 203 (II)

- **Reliability** – Are data collected and analyzed in consistent ways that could be replicated?
- **Timeliness** – Data should be current and collected frequently enough for appropriate management decisions

The Government Performance and Results Act (GPRA) requires data quality assessments at least every 3 years.



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Resources (I)

- Evaluation policy and FAQs:
 - <http://www.usaid.gov/evaluation>
http://www.usaid.gov/policy/evalweb/USAID_Evaluation_Policy_FAQ.pdf
- Send questions to evaluation@usaid.gov
- PPL/LER Trainings on M&E (USAID University)
- Submit suggestions for priority multi-country evaluation agenda for agency: <http://tiny.cc/evalagenda>
- PPL Service Center
- EGAT Answers -- <https://egat.usaid.gov/ega/>
- IPR Community of Practice Website



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Resources (II)

- Simister and Smith. 2010. “Monitoring and Evaluating Capacity Building: Is it Really That Difficult?”
- IPR Topline Indicator FAQs
- Indicator Reference Sheets for F indicators
- Stalcup. 2010. “LCD Compendium of Indicators” (needs updating)
- USAID. “Guidance for SRGs on Incorporating Gender as a Cross-Cutting Concept”
- USAID. 2000. “Measuring Institutional Capacity,” Recent Practices in Monitoring and Evaluation Tips, No. 15



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Resources (III)

- USAID. 2000. “Measuring Institutional Capacity,” Recent Practices in Monitoring and Evaluation Tips, No. 15
- Chatterji, Madhabi. 2007. “Grades of Evidence: Variability in Quality of Findings in Effectiveness of Complex Field Interventions.” American Journal of Evaluation (September): 239-255.
- SNV. 2010. Albanian Local Capacity Development Foundation. Tirana: SNV.
- Tanburn, Jim and Nabanita Sen. 2011. Why Have a Standard for Measuring Results? Geneva: Donor Committee for Enterprise Development.
- USAID Center for Democracy and Governance. 1998. Handbook of Democracy and Governance Program Indicators. Washington, DC: USAID.
http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnacc390.pdf



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Exercise 1

- On a flipchart, list as many output or results indicators (not activity or input indicators) for local capacity development that you can provide in 10 minutes (not already included in this presentation)
- For one or more of these indicators, discuss
 - Potential conceptual or definitional problems
 - Practical measurement problems